

BUSINESS TAX

Gen. Inst.

GENERAL INSTRUCTIONS FOR FILING BUSINESS TAX RETURNS

WHO MUST FILE A BET RETURN	<p>Every profit or non-profit enterprise or organization engaged in or carrying on any business activity within NH which meets the following criteria must file a Business Enterprise Tax return: Gross business receipts in excess of \$150,000 or enterprise value tax base in excess of \$75,000.</p> <p>A. If your gross receipts total was in excess of \$150,000, then you are required to file a BET return, regardless of B below.</p> <p>B. If your gross receipts total was \$150,000 or less, use the following worksheet to determine if your enterprise value tax base is greater than \$75,000:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">1. Total compensation paid or accrued:</td> <td style="width: 40%;">1. \$ _____</td> </tr> <tr> <td>2. Total interest paid or accrued:</td> <td>2. \$ _____</td> </tr> <tr> <td>3. Total dividends paid:</td> <td>3. \$ _____</td> </tr> <tr> <td>4. Sum of Lines 1, 2 and 3:</td> <td>4. \$ _____</td> </tr> </table> <p>If Line 4 is greater than \$75,000, you are required to file a BET return.</p> <p>Section 501(c)(3) non-profit organizations are not required to file to the extent they do not engage in any unrelated business activity under section 513 of the IRC.</p>	1. Total compensation paid or accrued:	1. \$ _____	2. Total interest paid or accrued:	2. \$ _____	3. Total dividends paid:	3. \$ _____	4. Sum of Lines 1, 2 and 3:	4. \$ _____
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WHO MUST FILE A BPT RETURN	<p>All business organizations, including corporations, fiduciaries, partnerships, proprietorships, combined groups, and homeowners' associations must file a Business Profits Tax return provided they are carrying on business activity within New Hampshire and their gross business income from everywhere is in excess of \$50,000.</p> <p>"Gross business income" means all income for federal income tax purposes from whatever source derived including: total sales, total rents, gross proceeds from the sale of assets, etc., before deducting any costs or expenses. Even if there is no profit, a return must be filed when the gross business income exceeds \$50,000. Combined filers should see NH-1120-WE General Instructions for additional filing requirements.</p> <p>Grantor Trusts: Income from Grantor Trusts (Section 671 of the US Internal Revenue Code) shall be included in the Business Profits Tax return of the owner(s).</p>								
IDENTICAL FILING ENTITY	<p>The return filed for the Business Enterprise Tax MUST reflect the identical business entity reported for Business Profits Tax purposes. There are separate booklets for corporate, combined group, partnership, proprietorship and fiduciary returns. Non-profit organizations and limited liability companies shall file using the form which corresponds to their entity structure. LLC's shall file using the same entity type as they use for their federal tax return. If a separate federal tax return was not required, then use the same entity type as the reporting member used.</p>								
SEPARATE FILING THRESHOLDS	<p>There are different filing criteria for the Business Enterprise Tax and the Business Profits Tax. You must determine whether or not you are required to file for each tax independent of your filing requirement for the other tax. IF YOU ARE REQUIRED TO FILE EITHER TAX, THEN YOU MUST FILE A BUSINESS TAX SUMMARY. THE BUSINESS TAX SUMMARY VERIFIES AND UPDATES BOTH THE BUSINESS ENTERPRISE TAX AND/OR THE BUSINESS PROFITS TAX RETURNS. FAILURE TO FILE A BUSINESS TAX SUMMARY WILL CONSTITUTE AN INCOMPLETE FILING OF THE BUSINESS TAX RETURNS.</p>								
WHEN TO FILE	<p>Calendar Year: If the business organization files its federal return on a calendar year basis, then the BET return and/or the BPT return are due and must be postmarked NO LATER than the date indicated on the BPT return.</p> <p>Fiscal Year: If the business organization files its federal return on a fiscal year basis, then the business organization must file the BET return and/or the BPT return based on the same taxable period. The corporate returns are due and must be postmarked NO LATER than the 15th day of the third month following the close of the fiscal period. The proprietorship, partnership and fiduciary returns are due the 15th day of the 4th month following the close of the taxable period.</p> <p>For Non-Profit Organizations: The returns are due and MUST be postmarked NO LATER than the 15th day of the fifth month following the close of the fiscal year.</p>								
EXTENSION TO FILE	<p>New Hampshire no longer requires a taxpayer to file an application for an automatic 7-month extension of time to file provided that the taxpayer has paid 100% of both the Business Enterprise Tax and the Business Profits Tax determined to be due by the due date of the tax.</p> <p>If you need to make an additional payment in order to have paid 100% of the taxes determined to be due, then you must file an extension application for business tax returns, Form BT-EXT. This application and payment must be postmarked on or before the original due date of the returns. Failure to pay 100% of the taxes determined to be due by the original due date may result in the assessment of penalties. You are not required to attach a copy of your federal extension to your NH returns.</p>								
WHERE TO FILE	<p>MAIL NH DEPT OF REVENUE ADMINISTRATION DOCUMENT PROCESSING DIVISION TO: PO BOX 637 CONCORD NH 03302-0637</p> <p style="text-align: right;">FACSIMILE RETURNS ARE NOT ACCEPTED</p>								
NEED HELP	<p>Call the Taxpayer Assistance Office at (603) 271-2186, Monday through Friday, 8:00 am - 4:30 pm. All written correspondence to the Department should include the taxpayer name, federal employer identification number or social security number, the name of a contact person and a daytime telephone number.</p>								
NEED FORMS	<p>To obtain additional forms or forms not contained in this booklet, please call (603) 271-2192. Copies of the state tax forms may also be obtained from our web site at www.state.nh.us/revenue or by visiting any of the 21 Depository Libraries located throughout the State.</p>								
TDD ACCESS	<p>Hearing or speech impaired individuals may call: TDD Access: Relay NH 1-800-735-2964.</p>								

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S-CORP FILERS	New Hampshire treats subchapter "S" corporations as if they were "C" corporations. All S-corporations are required to complete Form DP-120. Returns filed without a Form DP-120 will be incomplete and may be returned to the taxpayer. S-corporations who make actual distributions to New Hampshire resident shareholders are required to file Form DP-9 separately from the return.
SINGLE MEMBER LIMITED LIABILITY COMPANIES	<p>Single Member Limited Liability Companies (SMLLC) shall use form DP-200 to apply for a New Hampshire Department of Revenue Administration assigned identification number. This form shall be filed at least 30 days prior to the filing of any other tax related document. SMLLC's are required by New Hampshire law to file a tax return even though the SMLLC does NOT file a separate federal tax return. A Department of Revenue Administration assigned number is needed in order to process these non-federal tax returns.</p> <p>ALL SMLLC's MUST USE THE DEPARTMENT IDENTIFICATION NUMBER (DIN) WHEN FILING ANY AND ALL TAX RELATED DOCUMENTS.</p> <p>Your Department assigned number shall be used in place of the member's federal number. When filing all future documents, the Department Identification Number shall be entered wherever federal employer identification numbers or social security numbers are required.</p>
ESTIMATED BPT & BET PAYMENTS	Every entity required to file a Business Profits Tax return and/or a Business Enterprise Tax return must also make quarterly estimated tax payments for each individual tax for its subsequent taxable period, unless the ANNUAL estimated tax for the subsequent taxable period for each tax individually is less than \$200. However, if at the end of any quarter the estimated tax for the year exceeds \$200, an estimated tax payment must be filed. The quarterly estimates are 25% of the estimated tax liability. See the instructions with the Estimated Business Profits Tax Form for exceptions and for penalties for noncompliance.
DEPRECIATION AND RECONCILIATION	<p>President George W. Bush recently signed PL 107-147, the "Job Creation and worker Assistance Act," also known as the economic Stimulus package. Under the new law, there is a change to federal corporate filing for 2001 calendar year returns. For federal tax purposes, businesses will be able to deduct 30 percent of the cost of capital assets placed in service between September 10, 2001 and September 11, 2004.</p> <p>At this time, the New Hampshire Legislature has not changed the current business tax law to conform with the federal tax law changes. The Internal Revenue Code (IRC) reference remains the Code in effect on December 31, 2000. Therefore, if these changes are used on your 2001 federal filing, business taxpayers must recalculate their New Hampshire gross business profits. Since, under current New Hampshire law, the 30 percent special depreciation bonus expense and the additional IRC Section 179 expense is not allowable, business taxpayers will have to adjust the taxable income reported on their federal return before reporting their gross business profits on their New Hampshire business tax return. The adjustment will require:</p> <p>(a) the removal of the federal depreciation and IRC section 179 expense authorized under the "Job Creation and Worker Assistance Act of 2002"; and</p> <p>(b) the allowance of the depreciation and IRC section 179 expense as provided under the IRC in effect on December 31, 2000.</p> <p>Therefore, unless the New Hampshire Legislature passes legislation to adopt the federal provisions, taxpayers must file their 2001 New Hampshire Business Tax returns using the provisions of the IRC in effect on December 31, 2000. Please see TIR 2002-002 for more information.</p>
ATTACH FEDERAL SCHEDULES/ FORMS	All Business Profits Tax returns must be accompanied by a complete and legible copy of the federal income tax return or other appropriate federal forms, consolidating schedules and supporting schedules. The corporate return must have the federal form 1120, pages 1, 2, 3 and 4 and all schedules. The proprietorship return must have federal schedules C, D, E, F, Form 4797 and Form 6252, if applicable. The partnership return must have the federal form 1065 and applicable schedules. The fiduciary return must have the federal form 1041, pages 1, 2, 3 and 4, and applicable schedules. Failure to attach all federal schedules as required shall be deemed a failure to file a New Hampshire return and may subject the taxpayer to penalties.
CONFIDENTIAL INFORMATION	<p>Disclosure of federal employer identification numbers and social security numbers is mandatory under New Hampshire Department of Revenue Administration rules 203.01, 221.02, 221.03. This information is required for the purpose of administering the tax laws of this state and authorized by 42 U.S.C.S. § 405 (c) (2) (C) (i).</p> <p>Tax information which is disclosed to the New Hampshire Department of Revenue Administration is held in strict confidence by law. The information may be disclosed to the United States Internal Revenue Service, agencies responsible for the administration of taxes in other states in accordance with compacts for the exchange of information, and as otherwise authorized by New Hampshire Revised Statutes Annotated 21-J:14.</p> <p>The failure to provide federal employer identification numbers and social security numbers may result in the rejection of a return or application. The failure to timely file a return or application complete with social security numbers may result in the imposition of civil or criminal penalties, the disallowance of claimed exemptions, exclusions, credits, deductions, or an adjustment that may result in increased tax liability.</p>
AMENDED RETURNS	<p>If you discover an error was made on your BET and/or BPT return(s) after they were filed, amended returns should be promptly filed by completing a corrected Form BT-SUMMARY and the appropriate BET and/or BPT returns. You should check the "AMENDED" block in STEP 2 on the Business Tax Summary. AMENDED RETURNS MUST HAVE ALL APPLICABLE SCHEDULES AND FEDERAL PAGES ATTACHED TO BE DEEMED A COMPLETE AMENDED RETURN. For changes made by the Internal Revenue Service for this year, please see STEP 2 on the Business Tax Summary.</p> <p>If you need to amend prior year BET and/or BPT return(s), please call the forms line at (603) 271-2192.</p> <p>You may not file an amended return for New Hampshire Net Operating Loss (NOL) carryback provisions.</p>
REFERENCES TO FEDERAL FORMS	All references to federal tax forms and form lines are based on draft forms available at the time the state forms were printed. If the federal line number and description do not match, follow the line description or contact the Department at (603) 271-2186.
ROUNDING OFF	Money items on all Business Enterprise Tax and Business Profits Tax forms may be rounded off to the nearest whole dollar.
FILING SEQUENCE	Please file the applicable schedules in the following order sequence: BT-Summary, BET, BET-80, BPT return (NH-1120, NH-1065, NH-1041, or NH-1040), DP-80, DP-2210/2220, DP-132, DP-160, DP-120, and then the appropriate federal pages.